remaining distribution circles are scheduled for coverage during the 10th Plan period (2002-2007). The Central Electricity Authority is involved in the appraisal of the schemes received from the State Power Utilities for funding under APDP.

Turn around in distribution will improve the financial health of SEBs. Confidence in the ability of the SEBs to pay for the purchase of power is essential for financing of the capacity addition programme.

MoU with States for initiating power sector reforms

2544. SHRI C. M. IBRAHIM: Will the Minister of POWER be pleased to state:

(a) whether Government has signed Memorandum of Understanding with different States for initiating power sector reforms in lieu of special assistance;

(b) if so, the details of the terms of Memorandum of Understanding signed, introduced and the special assistance extended to them generally; and

(c) whether such Memorandum of Understanding have been signed with Government of Andhra Pradesh/Maharashtra/Karnataka/ Assam, if so the specific terms thereof indicating the reforms to be introduced and the special assistance extended?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) and) (b) Nineteen States *viz.*, Andhra Pradesh, Assam, Bihar, Madhya Pradesh, chhattisgarh, Gujarat, Goa, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Maharashtra, Orissa, Punjab, Rajasthan, Uttaranchal, Uttar Pradesh and West Bengal have signed Memorandum of Understanding (MoUs) with the Government of India for undertaking power sector reforms in a time bound manner. The State Governments commitment in these MoUs is in the following areas generally:

(i) metering of all 11 KV feeders and energy audit

(ii) 100% metering of all consumers

(iii) Reduction of T&D losses with definite milestones

(iv) Development of Management Information System

(v) Achievement of commercial viability in distribution

(vi) Setting up of State Electricity Regulatory Commissions and filing of tariff petitions

(vii) Payment of subsidies through budget.

Government of India has been assuring support and assistance to the State Governments on the following:

(i) Provisions of additional power through:—

(a) Allocation of additional power from Central Generating Stations

(b) Development of new generating capacity through CPSUs

(c) Support for enhancement of generating capacity in the State Sector

(ii) Provision of necessary inter-State transmission lines and commitment to have PGCIL take up some identified intra-State lines.

(iii) Provisions of additional financing by PFC in relaxation of standard requirements

(iv) *Accelerated Power Development Programme* (APDP): The Government of India have recently approved Accelerated Power Development Programme (APDP) with current year layout of Rs. 1500 crores. APDP will finance project relating to:

(a) Renovation & Modernisation/Life Extension/Uprating of old power plants.

(b) Upgradation of transmission and distribution network including energy accounting and metering.

(c) The specific terms of the MoU on reforms signed with the Government of Andhra Pradesh, Maharashtra, Karnataka and Assam are given in the Statement.

Statement

Specific Terms of the MoU on reforms

(i) Andhra Pradesh

Commitment by State

- ★ 100% electrification of all villages and hamlets by 2007.
- ★ Distribution companies to be converted in Joint Venture companies. The process of formation of first joint venture companies be completed by June 2002 with Joint Venture Partner in position with management control.
- ★ Energy audit at all levels taking the sub-station as a unit. The correct assessment of T&D losses to be made as a follow-up of Energy Audit for drawing a time-bound programme for reduction of losses.
- ★ Efforts to be made for 100% metering of all consumers by March, 2002.
- ★ To maintain grid discipline, comply with grid code and carry out the directions of Regional Load Despatch Centre.
- ★ Timely payment of subsidies required in pursuance of Govt. of Andhra Pradesh's orders on tariff determined by the APERC.
- ★ To securitise outstanding dues as per scheme approved by the Govt. of India. After securitisation outstanding dues not to cross the limit of two months billing.

Support from Government of India

- ★ To extend support through APDC/PFC for renovation and modernisation of hydro-electric stations (Approximate cost Rs. 354 crores.)
- ★ Support through APDP for execution of schemes of strengthening of sub-transmission and distribution in three identified circles to reduce T and D losses to 18%.
- ★ Supply of additional 40 MW power from Southern Region

and 100 MW from Eastern Region subject to completion of transmission lines for evacuation of power.

★ To securitise outstanding dues as per scheme approved by the Govt. of India. After securitisation outstanding dues not to cross the limit of two months billing.

★ To assist execution of critical transmission project through PFC and PGCIL.

(ii) **Maharashtra:**

Commitment by State

★ To achieve break-even in distribution operation by 31st March, 2003 and positive return thereafter.

★ 100% metering of 11 KVA feeders and LT side distribution transformers by 31st December, 2001. 100% metering of all consumers by September, 2002.

★ Computerised billing at sub-divisional levels by March, 2003.

★ To ensure timely payment of subsidies required in pursuance of Government of Maharashtra's Order on the tariff determined by SERC.

★ To improve availability of thermal generating plants from 80% to 85% by 2005.

★ To securitise outstanding dues of CPSUs as per scheme approved by GOI. CPSUs outstanding dues not to cross the limit of two months billing after securitisation.

★ To maintain grid discipline, comply with grid code and carry out the directions of Regional Load Despatch Centre.

Support from Government of India

★ To allocate additional power from un-allocated share of Central pool subject to the State's capacity to pay for the power.

★ Financial support through APDP/PFC to undertake R & M

and Life Extension Programme of Thermal, Gas and Hydro Power Stations of MSEB.

★ PFC to consider financing scheme for commercially viable MIS project.

★ GoI to arrange funds to help MSEB to undertake energy conservation measures and demand side management to reduce peak demand by identification of consumer load mix, demand pattern, diversity in demand and rationalisation of tariff structures.

(iii) **Karnataka**

Commitment by State

★ Unbudling of transmission and distribution and privatisation of distribution in a time-bound manner.

★ 100% electrification of villages and hamlets.

★ Energy audit at all levels to reduce system losses.

★ To provide support through SERC to enable it to discharge its statutory responsibilities.

★ Privatisation of distribution company/companies by December, 2001. Support from Government of India.

★ Allocation of additional 180 MW power from Central Generating Stations.

★ Powergrid to establish transmission lines and jointly undertake funding of Raichur-Gooty 400 KV SC line and to explore feasibility and funding of Neelamangla-Mysore 400KV DC line.

★ To extend financial support to upgrade sub-transmission and distribution network in a phased manner.

★ Technical Consultancy Assistance for studies for system loss reduction programme.

★ Adequate funding through REC for 100% electrification of villages.

★ Preparation of a plan through NHPC for optimal utilisation of untapped hydro-electric power potential of Cauvery river.

(iv) **Assam**

Commitment by State

★ Operationalisation of SERC by 30th June, 2001 and to provide full support to the Commission to discharge its statutory responsibilities.

★ 11 KV metering by 31.7.2001.

★ 100% metering by 31.12.2001.

★ On line billing at all major towns by 31.3.2002.

★ Energy audit at all levels in a time-bound manner.

★ Receivables to be brought down to 60 days billing by March, 2002.

★ To securitise outstanding dues of CPSUs as per scheme approved by GoI.

★ To maintain grid discipline, comply with grid code and carry out the directions of Regional Load Despatch Centre.

Support from Government of India

☆ Supply of additional power out of unallocated surplus Central Pool.

☆ Financial support through APDP/PFC for strengthening sub-transmission and distribution systems to reduce T & D losses to 20% and R & M of thermal plants.

★ To extend support to implement the resolution of Chief Ministers/Power Ministers Conference held on 3.3.2001 regarding 100% electrification of villages and hamlets.

☆ To assist in exploiting the hydro-potential through development of projects by State and Joint Sector.